श्री भजन लाल : सभापति महोदय, इन सात राज्यों के अलावा

MR. CHAIRMAN : Question Hour is over.

12.00NOON
SHORT NOTICE QUESTION

Procurement and import of wheat and rice

1. SHRI KAMAL MORARKA:†
SHRI YASHWANT SINHA :

Will the Minister of FOOD AND CIVIL SUPPLIES be pleased to state :

(a) what steps are being taken for the procurement of wheat and rice in view of the depletion of the Buffer Stock to a precariously low level of 130 M. Tones;

(b) whether Government also propose to import wheat and rice ; and

(c) if so, the details thereof?

THE MINISTER OF STATE OF THE MINISTRY OF FOOD AND CIVIL SUPPLIES (SHRI SUKH RAM) : (a) to (c) A Statement giving the information is laid on the Table of the House.

Statement

(a) to (c) As a result of several steps taken for procurement, the stock of wheat and rice with all the public agencies as on 1-7-1989 was of the order of 13.03 million tonnes against the corresponding level of 11 • 71 million tonnes last year. While the present wheat stocks (9.43 million tonnes) are considered adequate for the requirements of PDS till the arrival of the next harvest, the stocks of rice (3.6 million tonnes) needed limited augmentation through imports so as to ensure that the PDS supplies are maintained during the coming loan months upto Octber, 1989. Government . has so. **far** contracted to import 4. 51 lac tonnes of rice from [Thailand and Vietnam. Deliveries are scheduled to be completed before the end of September, 1989.

fThe question was actually asked on the floor of the House by Shri Kamal Morarka.

SHRI KAMAL MORARKA 3 Sir, it is a very serious matter which has been engaging the attention of the House—supply of foodgrains. I am sorry to see from the answer of the Minister that he has admitted most of the facts that rice and wheat stocks are low, that rice is being imported. The funniest statement in the answer is : "While the present wheat stocks are considered adequate for the requirements of PDS till the arrival of the next harvest...." Respectfully I want to submit that this is not correct. The Annual Report of the Food and Civil Supplies Ministry, 1989-90, says I- quote : "... .As such the allocations under PDS have to be rationalised., rationalise means 'reduce'. From April to December 1987 the Government have supplied 80.98 lakh tonnes of rice and 76.54 lakh tonnes of wheat. In the next year rice came down to 68.37 lakh tonnes and wheat to 62.80 lakh tonnes. Sir, the total supply to the PDS has been drastically reduced becuase of low availability of wheat and rice. Sir, there is a crisis situation in foodgrains. Government is giving the answer that..

MR. CHAIRMAN : What is your question?

SHRI KAMAL MORARKA : My question is, what steps will the Government take to bring back the supplies of wheat and rice in the Public Distribution. System of at least the 1987 level, if not higher This is my first question.

SHRI SUKH RAM : Sir, 1987 was a drought year. As the hon.

Members are aware, from 1985 to 1987 in various parts of the country we had been experiencing drought. As a rsult of drought there was a heavy off-take of food-grains from the Central pool ranging from 15 million tonnes to 22 million tonnes. In one year 1987-88 it was even 22 million tonnes. So the buffer that we used to maintain up to a limit of 10 million tonnes was exhausted during this year. As a result of the drought the foodgrain production also decreased in the year 1987, with the result that the procurement was also not to that extent. And because of the after-effects of the drought prices in the open market were slightly higher. That is the reason why we could not procure to that extent. Anyway, as far as wheat is concerned, our position is. quite comfortable because the off-take during the past 5 months was at the level of 5.8 lakh tonnes. And even if we maintain that level then wheat is sufficiently available with us. There was some shortage of rice, because as I have already explained, on account of floods in Punjab and Haryana the procurement fell short and because production also went down in that State. No doubt, during the last 'kharif, additional production was more than 14 million tonnes. But more than 7 million tonnes of rice production was in the non-procuring States, with the result that against our target of 9.6 million tonnes we could procure 7.65 million tonnes. We have augmented the supplies by some imports, as I have already stated.

SHRI KAMAL MORARKA : Sir, I will speak in Hindi. He will understand

1987 में जो राईस पब्लिक डिस्ट्रिब्यूशन सिस्टम को देते थे, 1988 में वह क्वांटिटी उससे 15–20 प्रतिशत कम हो गई है। तो वापसि 1987 के लेवल पर आप इसको कब तक ले आयगे?

श्री सुख राम : आप तो इंगलिश भी समझते हैं। आपकी इंगलिश बहुत अच्छी होगी, इस वास्ते शायद आपको कुछ फर्क पड़ा हो। मगर आपको मैंने कहा कि 1987 में ड्राऊट के एयर में बहुत सा आफटेक हुआ, इस वास्ते वह लेवल है। चूंकि अब वह ड्राऊट नहीं है, आज जो फूडग्रेंस की अवेलेबिलिटी है...

SHRI KAMAL MORARKA

This is not the answer. What is he trying to say? He is saying that in 1987 there was drought.

MR. CHAIRMAN : He says that the off-take in that year was larger becuase that was a difficult year. The next year was better and so the off take was less. That is what he is saying.

SHRI DIPEN GHOSH : When is he going to restore the pre-drought level?

SHRI KAMAL MORARKA : Sir, the pre-drought level has to be restored to the consumer some day.

SHRI DIPEN GHOSH : Sir, we have understood that because there was drought, so there was a shortfall in the supply of foodgrains to the Public Distribution System. But when he is going to restore the supplies to the pre-drought level?

MR. CHAIRMAN : What he has said is that when there was drought he had to supply more. In the normal conditions he has to supply less. That is all.

(Interruptions)

SHRI SUKH RAM : Sir, the pre-drought level is already there If you compare the present level with the level of the drought year, then, of course, there is a decrease in it. But because of availability of rice and wheat in the market, there is no scarcity of foodgrains in the country. It is only on account of lower procurement that the level had to be decreased.

SHRI KAMAL MORARKA : In view of the comfortable position, why is the country importing 4. 51 lakh tonnes of rice from Thailand and Vietnam? At the same time, the country is exporting rice. I want to know the purchase price of rice that we are importing and the sale price of the rice that we are exporting. We are importing rice and we are exporting rice. The Public is not getting rice. You say that because of drought year the position was good or bad. Let us not get confused. Why are you importing rice and exporting rice at the same time? What is the import price and what is the export price?

MR. CHAIRMAN : Are we exporting rice?

SHRI SUKH RAM : We are exporting *basmati* rice which fetches a very high price in the international market. This import was simply to augment the supplies because there has been pressure from the States that the present level of rice allocation has to be maintained. With a view to maintain the present level of supplies, we had to import this small quantity. It will not be advisable in the public interest to disclose the price at this stage.

(Interruptions)

SHRI PARVATHANENI UPENDRA : Is it a defence secret?

SHRI DIPEN GHOSH : The Government is both importing and exporting rice. Is it because there is kickback on both the exports and imports?

SHRI SUKH RAM : Please hear me first. In case you are not satisfied...

SHRI GURUDAS DAS GUPTA : Sir, you must discipline the Minister. This is not the way he should take the House.

SHRI SUKH RAM : Sir, first let me explain the position. In case the hon. Members are not satisfied, they can ask more questions. I am prepared to answer all their questions. But let me complete. *(Interruptions)* Let me complete. How can you understand without allowing me to complete?

Sir, what is the position now *I* We have already contracted 4.51 lakh tonnes and we are also negotiating to purchase some small additional quantities. I do not want to hide any information this hon. House. But my problem is that rice is a scarce commodity in the international market and I may add for the information of this House that in the international market the total availability of rice is between 8 to 10 million tonnes and now, because this is the leanest period, the availability in the international market is also not there. We sent a delegation. But we could not procure even five lakh tonnes for the sanction was there. Now we are negotiating for a small quantity. Therefore, it will not be right for me to disclose the price in public interest. I hope the Members will cooperate with me and they will allow me to contract this small quantity for which we are negotiating. I am not hiding this information. You will not ask what is our contracted price and for how much we are selling it to the people.

SHRI YASHWANT SINHA : Sir, my information is, about which the Minister hinted just now in his reply, that there is an international season for trading in rice. I would like fo know from the Minister whether in view of the fact that the production of kharif crop in this country would not be good, a fact which was known from before, and the shortages could also be anticipated, did the Government take steps at the right time to start looking for these quantities of rice in the international market. And, if it is not so, then what are the reasons for

delay in approaching the foreign markets for the import of rice. This is part (a) of my question. Sir, part (b) of my question is that there is a certain limit which has hsen prescribed by the Ministry for damages in consignments of rice which arrive in this country. I would like to know from the Minister what is the prescribed limit for these damages, broken rice, and what is the extent of broken rice which has actually been found in these consignments that have already arrived from Thailand and Vietnam. Then part (c) of my question is whether there were any agents involved in this contract and if so, what was the commission paid to these agents ? •

SHRI DIPEN GHOSH : Lalit Suri. *{Interruptions)*

SHRI SUKH RAM : Sir, we have taken timely action, because we anticipated some procurement from West Bengal, from Madhya Pradesh and from certain other States where production increased considerably. But when we came to know at a later stage that against 1. 5 lakh tonnes, which was the lowest target fixed for West Bengal, they could not even procure 90,000 tonnes, and similarly in Madhya Pradesh, because of drought, against a target of 5 lakh tonnes, we could procure only *2* tonnes from there, so on account of this non-procurement or low procurement from certain States, and then at the same time we got pressure from rice-eating States like Kerala, West Bengal, Andhra Pradesh, Tamil Nadu, etc., so then we thought that we should augment our supply by making purchases from outside. Sir, as far as the quality is concerned we have not yet received the ship. So, where is the question of saying at this stage that quality is not in accordance with what has been settled. Sir, if the quality is not there, there is a contractual obligation on the part of the suppliers that they have to supply the right quantity and also the right quality. Sir, as far as...

AN. HON. MEMBER : Agent.

SHRI SUKH RAM : I do not think, because, we sent a delegation. That delegation consisted of most honest officers...

MR. CHAIRMAN: All officer are honest. *(Interruptions)*

SHRI SUKH RAM : They negotiated ' with the Thailand Government. *{Interruptions)*

Please listen to me. *(Interruptions)* They do not listen what is not palatable to them. *(Interruptions)* I have to state the facts on the floor of the House. *(Interruptions)* The delegation was sent thers. The delegation negotiated with the Thailand Government. They negotiated with the Vietnamese Government and they negotiated with other Governments also. Then they have contracted for this. There was no such agent as far as the pirchase of this quantity is concerned.

श्री मोहम्मद अमीन (पश्चिमी बंगाल) : सर, अभी-अभी मंत्री जी ने पश्चिम बंगाल के बारे में जो ब्यान दिया, पश्चिम बंगाल के फूड मिनिस्टर ने उसकी कंट्राडिक्ट किया है, वह तो एक अलग बात है। लेकिन मेरा सवाल यह है कि फूड कारपोरेशन की तरफ से पश्चिम बंगाल के पब्लिक डिस्ट्रिब्यूशन सिस्टम के लिए जो चावला सप्लाई किया जाता है, वह अकसरो बेशतर सड़ा हुआ चावल क्यों है ?

†[شری محمد امین (پچھمی بنگال): سر - ابھی ابھی منتری جی نے پشچمی بنگال کے بارے میں جو بیان دیا - پشچمی بنگال کے فوڈ منسٹر نے اسکو کنٹراڈکٹ کیا ہے - وہ تو ایک الگ بات ہے - لیکن مورا سوال یہ ہے کہ فوڈ کارپوریشن

[ ] Transliteration in Arabic Script.

[شری محمد امین]

کی طرف سے پشچمی بنگال کے پبلک ڈسٹری بیوشن سسٹم کیلئے جو چاول سپلائی کیا جاتا ہے- وہ اکثر و بیشتر سڑا ہوا چاول کیوں ہے -]

श्री सुख राम : सर, वैसे तो मैंने इसका जवाब वहां भी दे दिया, यहां भी दे दिया और अब भी देने के लिए तैयार हूं। जैसे मैंने कहा कि सेकेंड हाइएस्ट प्रोडीयूसर राइस में वेस्ट-बंगाल है आंध्र प्रदेश के बाद। इनका 101 लाख टन के प्रोडक्शन के बावजूद जो प्रोक्योरमेंट है, वह डेढ़ लाख टन तक नहीं है, जबकि आंध्रप्रदेश, जिसकी उतनी आबादी, उतना प्रोडक्शन 105 लाख है, वह 15 लाख हमें प्रोक्योर का देते हैं और 12 लाख अपने लिए प्रोक्योर का देते हैं, मगर वेस्ट बंगाल जो है, वह डेढ़ लाख टन भी नहीं देते हैं और सबसे हाईएस्ट जो इनका है... (व्यवधान)

DR. R.K. PODDAR: What is the quantity of procurement ? *(Interruptions)*

श्री सुख राम : 1.44 लाख मीट्रिक टन वेस्ट बंगाल का हाईएस्ट, जो हमे देते हैं....(व्यवधान)

श्री सभापति : क्या आप उनको खराब चावल दे रहे हो?

श्री सुख राम : बिल्कुल खराब नहीं है, सर। सर, मैंने बार-बार एक बात कही है कि पंजाब और हरियाणा, जो 65 से 70 परसेंट कंट्रीब्यूट करते है, चूंकि वहां पर फ्लड आ गया सितंबर में, इसलिए वहां स्पेसिफिकेशन रिलेक्स करनी पड़ीं और उस रिलेक्स स्पेसिफिकेशन मे 40 लाख के अगेन्स्ट 28 लाख प्रोक्योर किया। उस 28 लाख में 26 लाख वह था, जो कि रिलेक्स स्पेसिफिकेशन का सारे देश में बांटा। महज वेस्ट बंगाल की शिकायत है।

श्री सभापति : सबको एक सा दिया है।

श्री सुख राम : जी हां, सर।

श्री जसवंत सिंह : सर,...

श्री सभापति : जसवंत सिंह जी, जब मैं आपको बुलाऊं, तब बोलिएगा। मैंने आपको नहीं बुलाया है। श्री उपेन्द्र।

SHRI PARVATHANENI UPENDRA: Sir, the hon, Minister has not answered. Specific name has been mentioned. Is Mr. Lalit Suri, in any way, connected with this import at any stage, in any manner? You should answer specifically whether he is in the picture or not.

SHRI SUKH RAM: Sir, no Lalit Suri is connected with the purchase of this rice. I emphatically deny it. *(Interruptions)*

SHRI DIPEN GHOSH: Who is the other Suri ? Is there anybodyelse other than Lalit Suri?

MR. CHAIRMAN : I did not call you, Mr. Dipen Ghosh.

SHRI JASWANT SINGH: Mr. Chairman, Sir, the hon. Minister of State, during his reply, said that it is not possible for him to confirm whether the percentage content of broken rice in the consignment that had already been contracted for is upto the standards or beyond the standards or below the standards because, the vessel has not yet reached.

MR. CHAIRMAN: The consignment has not arrived.

SHRI JASWANT SINGH: The consignment has not arrived. I would submit that this, is an error because, in consignments of this kind, the quality is checked at the port of loading and not at the port of discharge. Therefore, I would like to seek two clarifications. One is, in such matters, is it not a fact that the quality is checked at the point of loading and not at the point of discharge? Is it not also a fact that on or around the 24th July, when the vessel was loaded, as a part of this

contract of 4.51 lakh tonnes, at the Ho Chi Minh Port, these very officials, about whom the hon. Minister has said, refused to confirm that his vessel had the required percentage content of broken rice and that this vessel has stayed in Port, incurring demuarges from on or around 24th July till at least the 3rd of August. The only reason why this vessel was held up was because the officials refused to certify that this vessel; in fact, had the required percentage content of broken rice.

MR. CHAIRMAN: It had more.

SHRI JASWANT SINGH: Yes, it had more. In fact, my information is that this entire vessel load was broken rice.

Sir, there is one more clarification which I would like to seek. Mr. Chairman, my colleague Yashwant Sinha enquired as to why you did not contract for this rice when' the lean, season in the international market was there. He immediately replied to that. Would he confirm that the rice that was offered to India, indeed through FCI, was at an average rate of 200 dollars per metric tonne iq February and when it was offered at 200 dollars per metric tonne with 13 per cent broken rice content, we did riot contract for that! Now we re contracting in excess of 350 dollrs per metric tonne with 35 per cent bioken content and that is the reason why on the ground of public interest you are not coming forward to disclose the correct price at which you have contracted for this rice.

SHRI SUKH RAM: The hon. Member mentioned about the ship. That ship was half loaded. When our quality control. _

SHRI JASWANT SINGH: You start from whether it is checked at the point of loading or at the point of discharge.

SHRI SUKH RAM: I have not yet completed my sentence. You™ are a seasoned Member, you are not allowing me to complete my sentence.

Our quality control officers reached there. They certified that whatever was inspected, was according to the specifications and according to the contractual obligation. It is the Vietnamese Government, Vina Control which is the agency of the Vietnam Government, that is required to certify that the quality of the rice conforms to the standards which have been mentioned in the contract and they have furnished a certificate about that. That is the reason why we have accepted it and there is obligation also that our quality control officers would inspect the rice at the loading port and they will inspect the rice at the unloading port. Since unloading has not started so far, no ship has leached our port, there is no question of certifying or knowing whether they have sent the same quality which is there in the contract.

As far as my information goes, I deny, there was never the price of rice 200 dollars in the international market in the month of February and we have never purchased this rice at 350 dollars. I do not know where from the hon. Members are getting the information.

MR. CHAIRMAN: Statements by Ministers correcting answers to Questions. Shri H.K.L. Bhagat.

WRITTEN ANSWERS TO QUESTIONS

Import of seeds

•362. SHRI K. V. THANGKABALU: Will the Minister of AGRICULTURE be pleased to state:

(a) whether the National Oilseeds and Vegetable oils Development Board has' been importing seeds*